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U.S. AIDES CLEARED IN BILLY CARTER CASE

But the President's Brother Lied in
Libyan Inquiry, Report Finds

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WASHINGTON, April 21 — An internal Justice Department report on the handling of the Billy Carter case has concluded that no Government official violated the law in the department's investigation of Mr. Carter's relationship with Libya.

However, the report, prepared by Michael E. Shaheen Jr., head of the department's Office of Professional Responsibility and made public today, asserts that

Text of the report is on page A20.

the brother of former President Jimmy Carter "lied to Government agents" investigating his responsibility to register as an agent of the Libyan Government and recommended that the criminal division of the department decide whether he should be prosecuted.

"Our primary conclusion is that no Government officials or employees have been shown to have engaged in illegal conduct," Mr. Shaheen said in his 10-page final report, submitted to the Solicitor General, Wade H. McCree Jr., who said he agreed with the findings.

Mr. Shaheen said that President Car-

ter; the Attorney General, Benjamin R. Civiletti; the national security adviser, Zbigniew Brzezinski, and other Carter Administration officials had done nothing to compromise or subvert the Justice Department's investigation of Billy Carter, who is still registered as a Libyan agent.

"Governmental agencies functioned properly and were not subjected to any improper pressures," Mr. Shaheen wrote.

Mr. Shaheen's assertion of false statements by Billy Carter was similar to the findings of his preliminary "status report" last October. A Justice Department spokesman, John K. Russell, said today, "We will examine the material developed by Mr. Shaheen in the course of his investigation and reach a conclusion whether it warrants further action by the criminal division."

Stephen J. Pollak, an attorney for Billy Carter, said today that his client's position was that "he never at any time deliberately misstated what had occurred."

Justice Department officials said last July that they were unlikely to prosecute Mr. Carter for making false statements to Federal agents in their investigation of his relations with Libya.

Mr. Shaheen's report comes as an epilogue to events of last summer, when Mr. Carter's registration as a foreign agent caused serious political embarrassment for his brother, then a candidate for reelection.

Mr. Shaheen began his investigation last July. He interviewed more than 50 persons in an effort to determine whether there had been any violation of law or regulation in the handling of the Billy Carter case by Government employees or others.

Mr. Shaheen said he interviewed President Carter under oath at the White House last Dec. 19.

"Nothing suggests that President Car-

ter acted to frustrate or impede the Department of Justice's investigation of Billy Carter or that he sought to assist his brother in attempts to engage in business transactions with the Libyans," Mr. Shaheen concluded.

Mr. Shaheen did not fault Mr. Civiletti for discussing the Billy Carter case briefly with the President at the White House on June 17 last year. Mr. Shaheen said that the Attorney General had a "broad responsibility to keep the President generally advised on matters" about which Mr. Carter had a right to be informed.

The disclosure of Mr. Civiletti's conversation with the President caused an uproar last July because the Attorney General had denied having such a discussion. In the June 17 conversation, Mr. Civiletti told the President that his brother was foolish for not registering as an agent of the Libyan Government and that he probably would not be prosecuted if he did register.

Mr. Shaheen said that it was "appropriate" for Mr. Brzezinski to call the President's brother and caution him about his dealings with a company that sought an increased allocation of oil from Libya. Mr. Brzezinski made the call after seeing an intelligence report that noted Billy Carter's activities.

The Shaheen report rejected allegations that Billy Carter had helped the Libyans obtain airplanes in the United States. "Voluminous documentation demonstrates beyond reasonable doubt that the State Department approved the release of two 727 aircraft to Libya based solely upon foreign policy considerations," Mr. Shaheen said.

Mr. Shaheen began his investigation nine months ago, immediately after Mr. Civiletti disclosed his conversation with President Carter. The purpose was to determine whether there had been any violation of law or regulation in the handling of the Billy Carter case.